THE REPUBLICAN STUDY COMMITTEE

Rep. Steve Scalise, Chairman

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Legislative Bulletin……………………………………..………July 14, 2014

Contents:

Updates on amendments will be sent as they become available.

H.R. 5016 – Financial Services and General Government Appropriations Act, 2015 (Crenshaw, R-FL)

By the Numbers:

In thousands of dollars

	FY14 House Level	FY14 Enacted	FY15 President Request	FY15 House Level
Net Total Base Discretionary	16,966,000	21,851,000	23,541,698	21,285,000

Net Total Discretionary Budget Authority is:

- $4.319 billion above the level proposed by the House Appropriations Committee for FY 2014.
- $566 million below the enacted FY 2014 level.
- $2.257 billion below the President's budget request.

H.R. 5016 provides a net total of $21.285 billion in discretionary budget authority. The bill also provides $21.498 billion in mandatory funding that does not count against the discretionary caps. In total, the bill provides $42.616 billion in funds.

The Committee Report can be found here, and the text of the legislation can be found here.

Order of Business: H.R. 5016 is expected to be considered beginning on July 14th under a modified open rule permitting all germane amendments to be offered. The rule was approved by the House on July 10, 2014, and also provided for the consideration of H.R. 4718, to make permanent bonus depreciation.

The rule provides for one hour of general debate and ten minutes of debate (evenly divided) on all amendments. No pro-forma ("strike the last word") amendments are in order, other than 10 each for the Chair and Ranking Member of the Committee on Appropriations. Members who have pre-printed their amendments in the Congressional Record will be given priority in recognition. As a reminder, amendments must be offered at the appropriate time during the reading of the bill.

Bill Outline:

Title I: Department of the Treasury
In thousands of dollars

FY14 House Level	FY14 Enacted	FY15 President Request	FY15 House Level		FY15 vs FY14 House	FY15 vs FY14 Enacted	FY15 vs President Request
9,042,221	11,893,000	12,842,735	11,505,430		+2,463,209	-387,570	-1,337,305

The Treasury is appropriated $11.505 billion in discretionary funding, a level that is $1.337 billion below the President's budget request, $388 million below the FY14 enacted level, and $2.463 billion above the level proposed by the House Appropriations Committee for FY14.

Treasury (Non-IRS): The non-IRS functions of the Treasury are appropriated $557 million, a level that is $189 million above the President's budget request, $47 million below the FY14 enacted level, and $479 million above the level proposed by the House Appropriations Committee for FY14.

The increase compared to the President's budget results primarily from a smaller rescission of unobligated balances than is requested to the Treasury Forfeiture Fund. The Fund is funded by assets seized pursuant to law-enforcement activities by the Treasury and certain Homeland Security agencies and is then available to support a number of law enforcement activities. A smaller rescission of these funds means that more resources are available for law enforcement activities. This provision is a "change in mandatory spending" (CHIMPS). For more information regarding CHIMPS, see this CRS memo.

Office of Financial Research (OFR): The OFR was created by the Dodd-Frank financial regulatory reform law and is charged with gathering, monitoring, and analyzing financial data from regulators and firms, a mission that is duplicative of other regulatory agencies including the Federal Reserve and the Securities and Exchange Commission (SEC). Under Dodd-Frank, the OFR is allowed to set its own budget ($91.749 million in FY15) and assess private institutions to fund its activities without Congressional budgetary oversight. Section 125 of the bill would make the OFR subject to the appropriations process and Congressional oversight in FY16.

Federal Insurance Office (FIO): The FIO was created by the Dodd-Frank financial regulatory reform law and is charged with monitoring insurance markets. The Committee Report contains language that clarifies that the FIO does not have regulatory authority over insurance companies.

Cuba Travel: Section 126 of the bill prohibits travel to Cuba for "programs to promote people-to-people contact." These trips are often regime-approved tourism.

Internal Revenue Service (IRS): The IRS is appropriated $10.95 billion, a level that is $1.527 billion below the President's budget request, $341 million below the FY14 enacted level, and $1.984 billion below the level proposed by the House Appropriations Committee for FY14. According to the Appropriations Committee, this funding is below the FY 2008 level. Within this total, $4.95 billion is for enforcement, $3.62 billion is for operations support, and $2.13 billion is for taxpayer services. The bill includes several riders relating to the IRS which are summarized below.

501(c)(4) Regulations: The bill includes language requested by RSC Chairman Scalise along with Rep. Meadows, Rep. Wenstrup, and 55 other RSC Members preventing the IRS from issuing regulations that would change the definition and standards for 501(c)(4) organizations. The IRS has attempted to rewrite regulations that would codify its practice of targeting conservative organizations. This important language to protect the free speech rights of civic organizations is included as Section 128 of the bill. In February, more than 80 RSC Members submitted a public comment opposing these regulations, and the RSC has repeatedly called on the IRS to abandon their effort.

Targeting of Conservatives: Sections 107 and 108 of the bill prohibit targeting groups and individual citizens based upon their ideological beliefs and for exercising their First Amendment rights.

Destroying Records: Section 630 of the bill prohibits funds from being used to destroy records in contravention of the Federal Records Act. The IRS is required to report to Congress on the IRS's compliance with the law during the 2009-2013 period.

White House Interference: The bill prohibits the White House from ordering the IRS to determine the tax-exempt status of an organization.

Individual Mandate: Section 111 of the bill prohibits the IRS from enforcing Obamacare's Individual Mandate. CBO estimates that this provision will reduce revenues by $110 million in 2015 and $115 million in 2016.

Obamacare Funding: Section 110 of the bill prohibits transfers from the Department of Health and Human Services (HHS) to the IRS to implement Obamacare. The $1 billion Health Insurance Reform Implementation Fund (HIRIF) is a slush fund included in Obamacare meant to help cover the initial administrative costs of implementing the law.

From Fiscal Year 2010 to Fiscal Year 2012, the IRS's reported cost of $488 million to implement the ACA was paid for by the Health Insurance Reform Implementation Fund (HIRIF) administered by the Department of Health and Human Services. The Treasury Inspector General for Tax Administration (TIGTA) has criticized the IRS's administration of these funds. TIGTA also found that the IRS did not track all costs associated with implementation of

Obamacare. Specifically, the IRS did not account for or attempt to quantify approximately $67 million of indirect Obamacare costs incurred for Fiscal Years 2010 through 2012.

Reports on Obamacare Premium Subsidies: The IRS is required to submit monthly reports to Congress on Obamacare premium subsidies, including the IRS's plans to reconcile payments with 2014 tax return filings. A recent audit found that eligibility criteria - including citizenship and income - for subsidies are not being properly verified.

Obamacare Premium Payments: Section 131 of the bill requires the Treasury to report each month on the number of individuals who have not paid their premiums for Obamacare insurance plans.

IRS Bonuses: Section 112 of the bill prohibits bonuses for IRS employees that do not take into account the conduct and tax compliance of each employee.

Wasteful Conferences: Section 109 of the bill prohibits funds for IRS conferences that fail to comply with the Inspector General's recommendations.

IRS Videos: Section 105 of the bill prohibits funds for wasteful videos that have not been reviewed for "cost, topic, tone, and purpose and certified to be appropriate."

Union Work on Official Time: The bill requires a report on the amount of official taxpayer funded time that IRS employees spend conducting union activities.

Taxpayer Identity Theft: Section 103 of the bill requires the IRS to protect taxpayers against identity theft in response to the rampant criminal activity that allowed the IRS to issue $3.6 billion in potentially fraudulent returns in 2011. The IRS is further required to report to Congress on the number of taxpayers who have been affected as well as the actions the IRS has taken to detect and respond to identity theft and fraud.

Treasury Inspector General for Tax Administration (TIGTA): The TIGTA is appropriated $158 million, a $1.625 million increase over the current FY14 enacted level, to increase oversight of the IRS.

Title II: Executive Office of the President and Funds Appropriated to the President

In thousands of dollars

FY14 House Level	FY14 Enacted	FY15 President Request	FY15 House Level		FY15 vs FY14 House	FY15 vs FY14 Enacted	FY15 vs President Request
624,408	669,350	627,657	673,605		+49,197	+4,255	+45,948

The Executive Office of the President (EOP) is appropriated $674 million, a level that is $46 million above the President's budget request, $4 million above the FY14 enacted level, and $49 million above the level proposed by the House Appropriations Committee for FY14.

This Title provides appropriations for salaries and expenses of White House staff, the Executive Residence and office buildings, the office of management and Budget (OMB), and the Office of National Drug Control Policy (ONDCP). The funding increases in for this Title result from increases to the ONDCP.

Office of National Drug Control Policy (ONDCP): The ONDCP is appropriated $375 million, a level that is $64 million above the President's budget request, $9 million above the FY14 enacted level, and $14 million above the level proposed by the House Appropriations Committee for FY14. Within this total, the bill provides $245 million for High Intensity Drug Trafficking Areas (HIDTA), $95 million for the Drug-Free Communities program, $8.6 million for anti-doping activities, $2 million for World Anti-Doping Agency dues, $1.4 million for drug courts, and $1.25 million for assistance to states in implementing drug laws.

Submit the President's Budget on Time: The bill withholds $52 million of the $89.3 million of funding for the Office of Management and Budget (OMB) until the President's budget is submitted. The Budget Act requires the President to submit his annual budget to Congress by the first Monday in February. President Obama has missed this statutory deadline in fiscal years 2010, 2012, 2013, 2014, and 2015. President Obama is the only President to miss the deadline two or more years in a row.

Rein in Presidential Overreach: Sections 203 and 204 of the bill prohibit the Executive Office of the President from preparing executive orders or signing statements that violate the law.

Cost Estimates for Executive Orders: Section 205 of the bill requires cost estimates to be included for new Executive Orders.

Cost of Dodd-Frank Regulations: Section 202 of the bill requires the OMB to report on the costs of regulations issued under the Dodd-Frank financial reform law.

Title III: The Judiciary

In thousands of dollars

FY14 House Level	FY14 Enacted	FY15 President Request	FY15 House Level		FY15 vs FY14 House	FY15 vs FY14 Enacted	FY15 vs President Request
6,542,832	6,516,125	6,735,637	6,676,746		+133,914	+160,621	-58,891

The Judiciary is appropriated $6.677 billion in discretionary budget authority, a level that is $59 million below the President's budget request, $161 million above the FY14 enacted level, and $134 million above the level proposed by the House Appropriations Committee for FY14.

Supreme Court: The U.S. Supreme Court is appropriated $89 million, a level that is $60 thousand below the President's budget request, $3 million above the FY14 enacted level, and $3 million above the level proposed by the House Appropriations Committee for FY14.

Courts Of Appeals, District Courts, and Other Judicial Services: The Courts Of Appeals, District Courts, and Other Judicial Services are appropriated $5.198 billion, a level that is $42 million below the President's budget request, $150 million above the FY14 enacted level, and $198 million above the level proposed by the House Appropriations Committee for FY14.

Public Defenders: Public Defender Services is appropriated $1.044 billion, a level that is $9 million below the President's budget request, equal to the FY14 enacted level, and $21 million below the level proposed by the House Appropriations Committee for FY14.

Title IV: District of Columbia

In thousands of dollars

FY14 House Level	FY14 Enacted	FY15 President Request	FY15 House Level		FY15 vs FY14 House	FY15 vs FY14 Enacted	FY15 vs President Request
635,806	673,268	702,308	636,615		+809	-36,653	-65,693

The District of Columbia is appropriated $637 million, a level that is $66 million below the President's budget request, $37 million below the FY14 enacted level, and $809,000 above the level proposed by the House Appropriations Committee for FY14.

In 2013, the District of Columbia enacted a measure meant to remove Congress and the President from its budget process. However, a study by the GAO concluded that "provisions of the Budget Autonomy Act that attempt to change the federal government's role in the District's budget process have no legal effect."

College Tuition Assistance: The bill provides $20 million to subsidize undergraduate students from D.C. up to $10,000 per year to attend public universities nationwide at in-state rates and up to $2,500 per year to attend private colleges in the D.C. area, private historically black universities nationwide, and public community colleges nationwide. This funding level is $20 million below the President's budget request, $10 million below the FY14 enacted level, and $5 million above the level proposed by the House Appropriations Committee for FY14.

Scholarships for Opportunity and Results Act (SOAR): SOAR is provided $45 million, a level that is $2 million above the President's budget request, $3 million below the FY14 enacted level, and $9 million below the level proposed by the House Appropriations Committee for FY14.

Federal Payment to the District of Columbia Courts: The D.C. Courts are appropriated $234 million, a level that is $21 million below the President's budget request, $2 million above the FY14 enacted level, and $2 million above the level proposed by the House Appropriations Committee for

Federal Payment to the Court Services and Offender Supervision Agency (CSOSA) for the District of Columbia: The D.C. CSOSA is appropriated $229 million, a level that is $4 million below the President's budget request, $2 million above the FY14 enacted level, and $4 million above the level proposed by the House Appropriations Committee for

Title VIII includes 16 general provisions regarding the District of Columbia, including:

D.C. Hyde Amendment: Section 810 of the bill prohibits the use of funds to provide for an elective abortion. Since 1979, Congress has prohibited the use of funds for abortion in D.C., except for FY94-95, and in FY10 through part of FY11. The Associated Press reported that during the most recent period of time that the D.C. Hyde amendment was lost, D.C. paid for 300 abortions.

Conscience Clause: Section 808 of the bill maintains the conscience clause for contraceptive coverage by health insurance plans in D.C.

Drug Legalization: Section 809 of the bill prohibits the use of federal or local funds to legalize or reduce the penalties against controlled substances including marijuana.

Needle Exchanges: Section 807 of the bill prohibits the use of federal funds for a drug needle exchange program.

Title V: Independent Agencies
In thousands of dollars

FY14 House Level	FY14 Enacted	FY15 President Request	FY15 House Level		FY15 vs FY14 House	FY15 vs FY14 Enacted	FY15 vs President Request
112,213	2,089,855	2,632,431	1,721,853		+1,609,640	-368,002	-910,578

The Independent Agencies funded by the bill are appropriated a net total of $1.722 billion in discretionary budget authority, a level that is $911 million below the President's budget request, $368 million below the FY14 enacted level, and $1.61 billion above the level proposed by the House Appropriations Committee for FY14.

Consumer Financial Protection Bureau (CFPB): Section 502 of the bill would make the CFPB subject to the appropriations process in FY 2016. Under the Dodd-Frank law, the CFPB is allowed to set its own budget using funds from the Federal Reserve. This allows the CFPB to operate with no Congressional oversight. This reform is consistent with H.R. 3193, the Consumer Financial Protection Safety and Soundness Improvement Act of 2013, that passed by the House by a 232 – 182 vote.

Election Assistance Commission (EAC): The bill would eliminate funding for the EAC. The EAC was provided $10 million in FY14 and the President's budget requested $10 million. The EAC was created to implement the Help America Vote Act of 2002, but no longer serves a purpose and has not been authorized since 2005. The RSC Budget proposed eliminating the EAC.

Federal Communications Commission (FCC): The FCC is appropriated $323 million in discretionary budget authority, a level that is $53 million below the President's budget request, $17 million below the FY14 enacted level, and $3 million above the level proposed by the House Appropriations Committee for FY14. The appropriated funds are fully offset by fee collections.

Federal Election Commission (FEC): The FEC is appropriated $68 million in discretionary budget authority, a level that is equal to the President's budget request, $2 million above the FY14 enacted level, and $2 million above the level proposed by the House Appropriations Committee for FY14.

Federal Trade Commission (FTC): The FTC is appropriated $293 million in discretionary budget authority, a level that is equal to the President's budget request, $5 million below the FY14 enacted level, and $2 million below the level proposed by the House Appropriations Committee for FY14. The FTC will have collections of $114 million, resulting in a net appropriation of $179 million.

S**ecurities and Exchange Commission (SEC)**: The SEC is provided $1.4 billion, a level that is $300 million below the President's budget request, $50 million above the FY14 enacted level, and $29 million above the level proposed by the House Appropriations Committee for FY14. This amount is fully offset by fee collections.

Section 625 bill prohibits obligation of funds in the SEC's reserve fund, rescinding the remaining $70 million. The Dodd-Frank law provided the SEC with a reserve fund of up to $100 million that is not subject to Congressional oversight. The FY14 Consolidated Appropriations Act rescinded $25 million of the reserve fund.

Small Business Administration (SBA): The SBA is provided a total of $862 million, a level that is $3 million below the President's budget request, $67 million below the FY14 enacted level, and $35 million below the level proposed by the House Appropriations Committee for FY14.

Titles VI, VII, and IX: General Provisions

The bill includes 74 general provisions, highlights of which are summarized below:

Pro-Life: Sections 613 and 614 of the bill prohibit funding abortion coverage through the Federal Employee Health Benefits Program (FEHBP), except in cases where the health of the mother is at risk or for rape and incest. These provisions, sometimes called the Smith Amendment, were first enacted in 1983 and have consistently been included in appropriations bills.

Section 901 of the bill prohibits abortion coverage through the Multi-State Plan Program created under Obamacare. This language mirrors the Smith amendment related to the FEHBP, and applies that principle to multi-state plans, which are also run by the OPM.

Conscience Clause: Section 726 of the bill maintains the conscience clause for contraceptive coverage by health insurance plans in the FEHB.

Czars: Section 621 prohibits funding for President Obama's "czars," including the Director of the White House Office of Health Reform, the Assistant to the President for Energy and Climate Change, the Senior Advisor to the Secretary of the Treasury assigned to the Presidential Task Force on the Auto Industry and Senior Counselor for Manufacturing Policy, and the White House Director of Urban Affairs.

Political Disclosures: Section 626 prohibits the SEC from requiring the disclosure of political contributions, contributions to tax exempt organizations, or dues paid to trade associations. Section 735 prohibits the federal government from requiring federal contractors to disclose political contributions.

Learning to Lobby Congress: Section 629 prohibits funding for training Executive branch employees to lobby Congress.

Whistleblower Protection: Section 713 prohibits payment of salary to any federal employee who threatens or prohibits another federal employee from communicating with Congress.

Unions: Section 716 prohibits the federal government from disclosing the home addresses of federal employees to labor unions without employee authorization.

Pay Freeze: Section 738 of the bill freezes pay for the Vice President and senior political appointees.

Six-Day Delivery: The bill includes a rider requiring six-day mail delivery by the Postal Service and prohibiting a change to move to a five-day delivery schedule. Since 1984, appropriations bills have included this provision. However, the Chairman's mark on H.R. 5016 did not include the rider. An amendment to insert the provision was adopted by a voice vote in the Committee markup. CRS has a comprehensive background on this issue.

Cuts and Eliminations: According to the Committee Report, the bill cuts 15 programs below their FY2014 enacted level. The bill eliminates further eight programs, including the "Treasury's Department-Wide Systems and Capital Investment; Executive Office of the President-Unanticipated Needs and Data-Driven Innovation; a Federal payment for the District of Columbia Water and Sewer Authority; the Christopher Columbus Fellowship Foundation; the Election Assistance Commission; the Harry S Truman Scholarship Foundation; the Morris K. Udall and Stewart L. Udall Foundation; and the Public Company and Accounting Oversight Board's scholarship program."

Unauthorized Appropriations: The bill appropriates $13.823 billion for 31 programs which have not been authorized. Eleven unauthorized programs are appropriated a total of $40.623 million above their enacted level.

Title of the Bill	Unauthorized Programs funded by the bill	Total Unauthorized Appropriations		Programs that Receive more than FY14 Enacted	Total Increases in Programs that Receive more than Enacted
Treasury	13	12,251,430		4	27,622
Executive Office of the President	5	473,550		3	10,334
District of Columbia	4	25,925		1	50
Independent Agencies	9	1,081,318		3	2,617
Total	**31**	**13,832,223**		**11**	**40,623**

Clause 2(a)(1) of Rule XXI of the Rules of the House states, in pertinent part, "An appropriation may not be reported in a general appropriation bill, and may not be in order as an amendment thereto, for an expenditure not previously authorized by law, except to continue appropriations for public works and objects that are already in progress." The rule providing for consideration of H.R. 5016 waived this rule.

Committee Action: The House Appropriations Committee marked up and approved H.R. 5016 on June 25, 2014, by a voice vote. The Committee also held a number of oversight hearings.

Does the Bill Contain Any Earmarks/Limited Tax Benefits/Limited Tariff Benefits?: According the Committee Report, "Neither the bill nor the report contains any Congressional earmarks, limited tax benefits, or limited tariff benefits."

Constitutional Authority: "Congress has the power to enact this legislation pursuant to the following: The principal constitutional authority for this legislation is clause 7 of section 9 of article I of the Constitution of the United States (the appropriation power), which states: ``No Money shall be drawn from the Treasury, but in Consequence of Appropriations made by Law . . . ." In addition, clause 1 of section 8 of article I of the Constitution (the spending power) provides: ``The Congress shall have the Power . . . to pay the Debts and provide for the common Defence and general Welfare of the United States . . . ." Together, these specific constitutional provisions establish the congressional power of the purse, granting Congress the authority to appropriate funds, to determine their purpose, amount, and period of availability, and to set forth terms and conditions governing their use.

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